

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 25-26, 2008

Reference No.: 2.5c.(9)  
Action Item

From: CINDY McKIM  
Chief Financial Officer

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Budgets

Subject: **FINANCIAL ALLOCATION FOR LOCALLY-ADMINISTERED STIP TRANSPORTATION  
ENHANCEMENT PROJECTS  
RESOLUTION FP-07-**

## **RECOMMENDATION:**

The Department of Transportation (Department) **does not** recommend the California Transportation Commission (Commission) approve an allocation of \$175,000 for one locally-administered State Transportation Improvement Program (STIP) Transportation Enhancement (TE) project because FHWA has requested that the Department de-obligate federal funds previously authorized for this project.

## **ISSUE:**

The attached vote list describes one locally-administered STIP TE project for \$175,000. The City of Pasadena has indicated that they would like to proceed with this project and is requesting an allocation at this time. Due to federal funding issues described below, however, the Department does not recommend the allocation and that the funds should be allowed to lapse.

## **BACKGROUND:**

In June 2004, this project's construction component was funded with \$399,000 of Regional Transportation Enhancement Activities (TEA) federal funds and \$100,000 of local funds. In March 2005, bids came in high, and the City requested that the project be split into two projects to enable them to re-advertise and obtain lower bids. On, May 13, 2005, the Department split the project into two separate projects, as requested. The City committed to advertising both projects on May 26, 2005. The first project was awarded late in March 2007. The second project has yet to be awarded.

The second project's construction component was funded in 2005 with \$97,100 of Regional TEA federal funds, for a total construction cost of \$127,710. This project was advertised in August 2007 but was cancelled due to a bid protest in October 2007. The currently programmed \$175,000 in STIP-TE funds will add to the \$127,710 currently on the project's construction component.

Delays in advertising and awarding this second project have led to a two to three fold increase in the project's construction cost (\$127,710 to \$332,600). Furthermore, the Federal Highway Administration (FHWA) has identified this project as a federally inactive project and has denied the

City's justification for the inactivity based on the high bids initially received in 2005. The primary reason for FHWA's denial of the City's justification was a failure to re-advertise the project in May 2005 per its commitment and the continued no-award status. As a result, FHWA has requested the Department to de-obligate the Regional TEA federal funds and cancel the project.

Based on the history of this project, the failure of the City to follow through on its commitment to re-advertise and award the project in a timely manner and, in addition to FHWA's request to cancel this project, the Department does not recommend allocation of these funds.

A representative from the City should be present at the Commission meeting to justify the allocation request.

Attachment

2.5 Highway Financial Matters

Project #	Allocation Amount	EA	Dist-PPNO	Program/Year	Allocation Amount
Recipient	RTPA/CTC	PA&ED	PS&E	Budget Year	State
County	Location	R/W	R/W	Item #	Federal
Dist-Co-Rte	Project Description	CONST	Program Code	Total Amount	
Postmile	Project Support Expenditures				
<b>2.5c.(9) Locally Administered STIP Transportation Enhancement Projects off the State Highway System</b>					<b>Resolution FP-07-__</b>
1					
\$175,000	Blue Line Pedestrian Enhancements. Construct pedestrian improvements.	932645	2007-08		
City of Pasadena		07-3424	601-3008		\$41,950
LACMTA		RIP TE / 07-08	101-0890		\$133,050
07-Los Angeles	<u>Outcome/Output:</u> Install concrete street light poles on Halstead Street from Rosemead Boulevard to Foothill Boulevard. This project will create a friendlier environment within the high pedestrian traffic area around the Goldline Station (Sierra Madre Villa) and increase pedestrian safety and access to the station.	\$0	20.30.600.731		\$175,000
Senate: 21		\$0			
Assembly: 44		\$0			
		\$175,000			
<p><b>THE DEPARTMENT RECOMMENDS THE COMMISSION DENY THIS ALLOCATION DUE TO FEDERAL FUNDING ISSUES.</b></p>					